



# City of Loma Linda Official Report

Floyd Petersen, Mayor  
Karen Hansberger, Mayor pro tempore  
Robert Christman, Councilmember  
Stan Brauer, Councilmember  
Robert Ziprick, Councilmember

COUNCIL AGENDA: February 24, 2004

TO: City Council

SUBJECT: Council Bill #R-2004-7 – Supporting Propositions 57, the  
Economic Recovery Bond and 58, the Balanced Budget Act

## RECOMMENDATION

It is recommended that the City Council adopt Council Bill #R-2004-7.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOMA LINDA, SUPPORTING PROPOSITION 57, THE ECONOMIC RECOVERY BOND AND PROPOSITION 58, THE BALANCED BUDGET ACT ON THE MARCH 2, 2004 BALLOT

WHEREAS, the State of California's General Fund revenues grew dramatically in the latter half of the 1990's, particularly in the amount of personal income tax revenues generated as a result of the stock market boom and the taxes paid on stock-option earnings; and

WHEREAS, the stock-option revenue should have been viewed as "one-time" revenue and not spent on ongoing liabilities; and

WHEREAS when the "dot-com bubble" burst, revenues went into steep decline and created what is known today as "the structural imbalance;" and

WHEREAS, even with billions of dollars of cuts to State and local programs to cope with the State's \$38 billion deficit last year, the State budget faces another major shortfall in 2004-2005; and

WHEREAS, Governor Schwarzenegger has developed an Economic Recovery Work-Out plan for the State Budget which consists of the following: an Economic Recovery Bond Act to refinance a portion of the inherited debt, a proposed budget that moves toward structural balance, and a constitutional amendment to require balanced budgets with a prudent reserve; and

WHEREAS, these measures are embodied in Propositions 57 and 58 as they appear on the March 2, 2004 state-wide ballot; and

WHEREAS, the City of Loma Linda should continue to oppose any raid on local government revenues but also support the propositions put forward by the Governor to set California on a path of economic recovery;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Loma Linda hereby supports the passage of Propositions 57 and 58 and encourages all citizens to support them as well;

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to Governor Schwarzenegger, the Speaker of the Assembly, the President pro tem of the State Senate, the San Bernardino County Board of Supervisors and the League of California Cities.

PASSED, APPROVED AND ADOPTED this 24<sup>th</sup> day of February 2004 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

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Floyd Petersen, Mayor

ATTEST:

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Pamela Byrnes-O'Camb, City Clerk